



पश्चिमवङ्ग पश्चिम बंगाल WEST BENGAL

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH

CP (CAA) No. 960 / KB / 2019

CA (CAA) No. 601 / KB / 2019

In the matter of the Companies Act, 2013; Section – 230-232

AND

In the matter of: Orissa Metaliks Pvt. Ltd. & Ors



Certified Copy of the Order dated 04.09.2019 passed by this Bench.

023046

MKB & ASSOCIATES
81 Camac Street
Shantiniketan Bldg.
7th Floor, Sector No-511
Kolkata-700017

Serial No.....

Name.....

Address.....

71, Park Street (No.-14)
Kolkata-700016

07 AUG 2019

Licensed Stamp Vendor

Date..... Srijit Sarkar

Form No. CAA.7

[Pursuant to Section 230 and rule 20]

IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH

C.P. (CAA) No. 960/KB/2019

CA (CAA) No. 601/KB/2019

In the matter of:

The Companies Act, 2013;

And

In the matter of:

Sections 230 to 232 of the Companies Act,
2013;

And

In the matter of:

The Companies (Compromises,
Arrangements and Amalgamations)
Rules, 2016;

And

In the matter of:

ORISSA METALIKS PRIVATE
LIMITED, a company incorporated
under the Companies Act, 1956 and
having its registered office at 1, Garstin



Place, Orbit House, 3rd Floor, Room No.-
3B, Kolkata-700001, West Bengal within
the aforesaid jurisdiction.

RASHMI METALIKS LIMITED, a
company incorporated under the
Companies Act, 1956 and having its
registered office at 39, Shakespeare
Sarani, 6th Floor, Kolkata-700017, West
Bengal within the aforesaid jurisdiction.

And

In the matter of:

1. ORISSA METALIKS PRIVATE
LIMITED
2. RASHMI METALIKS LIMITED

...Petitioners

Order Under Section 230 to 232

1. The above Company Petition coming on for further hearing on the 28th day of August 2019 and upon hearing the advocate appearing for the Petitioners and upon hearing Regional Director, Eastern Region representing the Central Government the final order was passed on 04th day of September 2019.



[Handwritten signature]

2. The object of this petition is to obtain sanction of this Tribunal to the Scheme of Arrangement proposed to be made between M/S.ORISSA METALIKS PRIVATE LIMITED(herein referred to as "Resulting Company") and M/S. RASHMI METALIKS LIMITED(herein referred to as "Demerged Company")and their respective shareholders whereby and whereunder the entire undertaking of Demerged Company together with all assets and liabilities relating thereto, as going concern, is proposed to be demerged, pursuant to applicable provisions of the Companies Act, 2013 and/or any other applicable laws and be transferred to and vested with the Resulting Company with appointed date being 1st April, 2018 for achieving the above objectives with effect from 1st April, 2018 in a manner provided in the Scheme of Arrangement. A copy of the Scheme of arrangement is annexed with the petition and marked with "A".

3. It is stated in the Petition that Project at Nayagarh Railway Siding was started by RASHMI METALIKS LIMITED, RML, more than 10 years ago keeping in view the increasing global demand of iron ore and for the requirement of MS Billet but the project could not be completed in time due to provisional/ final approvals/permissions pending from different government authorities.

4. The global demand of iron ore in the present market scenario being sluggish and due to time taking of final approvals/permissions



from different government authorities RML has decided to demerge its Nayagarh Railway Siding undertaking. RML has alternative plan, to improve its logistics which will also help the company reduce its costs.

5. It is stated that ORISSA METALIKS PRIVATE LIMITED, OMPL, procures iron ore mostly from Odisha. OMPL shall complete the railway siding undertaking and use the same to meet its logistics requirements. OMPL will be beneficial in taking over the railway siding undertaking as it will cater to its logistics requirement for iron ore and MS Billets. It will also help OMPL to reduce its cost on logistics. OMPL is hopeful to get all the permissions/sanctions to complete the project and make it operational.

6. It is stated that the Scheme will enable the Board of Directors of both companies to focus on their respective business without any dependence on each other. This will result in overall efficiency and growth in businesses of both the companies.

7. The Scheme is in the interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either RML or OMPL would be prejudiced as a result of the Scheme of Arrangement.

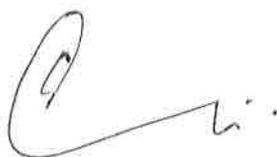


8. In view of the above-mentioned reasons, it is considered desirable and expedient to demerge the Demerged Undertaking of the Demerged Company and vest the same with the Resulting Company in the manner and on the terms and conditions stated in the Scheme of Arrangement.

9. It is stated in the Petition that the Board of Directors of the Petitioner Companies have, at their respective meetings held on the 15th January, 2019, by resolutions passed unanimously, approved the Scheme of Arrangement of RML, Demerged Company with OPML, Resulting Company. A copy of the Board Resolution is annexed with the petition and marked Annexure "E".

10. It is also stated that the valuation of the shares of the Petitioner Companies, based on which the share entitlement ratio has been arrived at, after careful consideration and after taking into account all relevant facts has been carried out and approved by Chartered Accountants and is bona fide and reasonable, a copy whereof is annexed to the Petition and marked as "J".

11. It is stated that the Accounting Treatment proposed in the Scheme of Arrangement in clause 13 is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. A



certificate under Section 230(7) confirming the same is provided by the Chartered Accountants, a copy whereof is annexed with the Petition and marked as Annexure "K".

12. It is further stated that the aggregate assets of the Petitioner Companies are sufficient to meet all their liabilities and the Scheme of Arrangement will not adversely affect the rights of any of the creditors of the Petitioner Companies in any manner whatsoever and due provisions have been made for payment of all liabilities as and when the same fall due in usual course.

13. This Tribunal had passed an order dated 16th July, 2019 in the Petition bearing CP (CAA) NO 960/KB/2019, connected with CA(CAA) No. 601/KB/2019, and directed publication to be effected of the hearing of the Petition, issuance of the notices of this Petition to the statutory authorities for their objections, if any.

14. In compliance with the order dated 16th July, 2019, passed in CP (CAA) NO. 960/KB/2019, connected with CA(CAA) No. 601/KB/2019, the Petitioner Companies have filed affidavit of service affirmed on 27th August, 2019 evidencing publication of notice in the newspapers and service upon the Central Government, Statutory Authorities.



15. The Petitioner Companies have filed affidavit affirmed on 30th August, 2019 stating that the provisions of Section 5 & 6 or any other provisions of the Competition Act, 2002 are not applicable to proposed arrangement and that the demerger is not likely to cause an adverse effect on the competition within the relevant market in India.

16. The Regional Director, Eastern Region, Ministry of Corporate Affairs has given following observations vide his affidavit affirmed on 26th August, 2019:

"2(a) That it is submitted that on examination of the report of the Registrar of Companies, West Bengal it appears that no complaint and/or representation has been received against the proposed Scheme of Arrangement. The Petitioner Companies are also up dated in filing their statutory returns. The Registrar of Companies further reported that there is a prosecution pending against M/s. Rashmi Metaliks Limited before the Ld. CJM., Alipore vide case no C/5326/15 under section 172 read with 149 of the Companies Act, 2013.



2(b) It is submitted that as per instructions of the Ministry of Corporate Affairs, New Delhi, a copy of the scheme was forwarded to the Income Tax Department on 17-06-2019 with a request to forward their comments/observations/objections, if any, on the proposed scheme of arrangement within 15 days, and no report has been received from the said Authority till date.

2 (c) This deponent submits for issuing directions to the applicant to pay the applicable stamp duty for transfer of the properties of Demerged Company to Resulting Company."

17 Heard the arguments of Ld. Counsel appearing for the Petitioner Companies, the Assistant Director, Office of the Regional Director, Eastern Region, Ministry of Corporate Affairs and after going through the documents available on record, the following orders in terms of prayers made by the Petitioner Companies are passed by this Tribunal:



THIS TRIBUNAL DOTH ORDER

a) That the scheme of Arrangement, being Annexure "A" to the Petition is sanctioned by this Tribunal as to be binding on all the equity shareholders of the Petitioner Company and all concerned with effect from 1st of April, 2018;

b) That all the assets and properties and interest of the Demerged Company relating to the Demerged Undertaking are transferred, without any further act or deed, to Resulting Company and become the assets and vest in the Resulting Company with all the estate and interest of Demerged Company relating to Demerged Undertaking pursuant to Section 232 read with Section 230 of the Companies Act, 2013 ;

c) That all the liabilities and duties of the Demerged Company relating to Demerged Undertaking are transferred without further act or deed to Resulting Company and shall become liabilities and duties of Resulting Company pursuant to section 232 read with Section 230 of the Companies Act, 2013 ;



d) That all entitlements, licenses, permissions, approvals, clearances, authorizations, consents, rights, registrations obtained by Demerged Company relating to Demerged undertaking are transferred without any further act or deed to Resulting Company and shall become entitlements, licenses, permissions, approvals, clearances, authorizations, consents, rights, registrations and vest in Resulting Company pursuant to section 232 read with Section 230 of the Companies Act, 2013 ;

e) That all employees of the Demerged Company relating to the Demerged Undertaking to be transferred to the Resulting Company

f) That all proceedings and / or suit and / appeals now pending by or against the Demerged Company pertaining to the Demerged Undertaking shall be continued by or against Resulting Company ;

g) That leave is granted to the petitioners to file the Schedule of Assets of the Demerged Company relating to Demerged Undertaking within four weeks from the date of this Order ;



h) That all the taxes and duties payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards shall be transferred to the Resulting Company under the provisions of the said Acts & Rules ;

i) That the Resulting Company to allot shares to the shareholders of the Demerged Company post Demerger ;

j) That the Demerged Company and the Resulting Company do within thirty days after the date of this Order, cause a certified copy thereof to be delivered to the Registrar of Companies, West Bengal, for registration ;

k) That any person interested shall be at liberty to apply before this Tribunal in the above matter for such directions as may be necessary.

18. Accordingly, the CP (CAA) No. 960/KB/2019, connected with CA (CAA) No. 601/KB/2019 stands disposed of.



Witness:

Mr. M.B. Gosavi, Hon'ble Member (Judicial) and Mr. Virendra Kumar Gupta, Hon'ble Member (Technical), at Kolkata aforesaid the 04th day of September 2019.

Ms. Manju Bhuteria, Advocate on Record for the petitioners.

Mr. Chenna Keshava, A.D., C/o Regional Director, Eastern Region, Ministry of Corporate Affairs

SCHEDULE OF ASSETS

First Part - Part-I

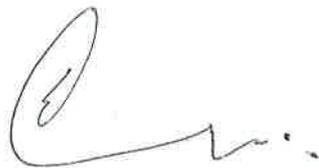
(As per annexure)

Second Part - Part-II

(As per annexure)

Third Part - Part-III

(As per annexure)


Registrar-in-charge

National Company Law Tribunal

Kolkata Bench

Dated: the  day of October, 2019.



SCHEME OF ARRANGEMENT

UNDER SECTIONS 230 TO 232

OF

THE COMPANIES ACT, 2013

BETWEEN

ORISSA METALIKS PRIVATE LIMITED

- **Resulting Company**

AND

RASHMI METALIKS LIMITED

- **Demerged Company**

AND

THEIR RESPECTIVE SHAREHOLDERS

A. PREAMBLE

This Scheme of Arrangement ("the Scheme") provides for the demerger of the Demerged Undertaking (as hereinafter more particularly defined) of Rashmi Metaliks Limited ("RML") or "the Demerged Company", into Orissa Metaliks Private Limited ("OMPL" or "the Resulting Company"), pursuant to provisions of



Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act")

B. DESCRIPTION OF THE COMPANIES

1.1 **ORISSA METALIKS PRIVATE LIMITED** (OMPL or Resulting Company) having Corporate Identity Number U27109WB2006PTC111146 is a company incorporated on the 29th July, 2006 under the provisions of Companies Act, 1956 and having its registered office at 1, Garstin Place, Orbit House, 3rd Floor, Room No.-3B, Kolkata-700001, West Bengal.

1.2 **OMPL** has been incorporated with, inter alia, the following main objects:

1. To set up induction furnace plant, Ferro Manganese Plant, Silico Manganese Plant, Ferro Vanadium Plant, Ferro Titanium Plant, Ferro Alloys Plant, mini steel plants, integrated steel Plants, composites steel plants, hot rolling steel mills, cold rolling steel mills, bloom and billet mills, steel furnace, concast rolling mill, Sponge iron plant and to carry on business of manufacturers, producers, assemblers, filters, engineers, converters, processors, crushing, founders, moulders, casters, forgers, makers, fabricators, erectors, smelters, refiners, drawers, snickers, miners, repairers, rollers, re-rollers, stores, formers, extruders, reconditioners, machinists, finishers, exporters, importers, traders, suppliers, dealers, distributors, stockiest, buyers, sellers, agents or merchants, and otherwise for the manufacturing, producing, converting, extracting, treating or processing of all types, grades, and size of steels, stainless steel, special



steels, sponge iron, Ferro alloys and its allied products and power generation, pig iron and its products, high speed steels, die steels, electrical steels, case hardening steels, any other type of steel present or future and any product or by-product, hot briquetted iron and its products, wrought iron and its products, metal scraps, ferrous alloys, cast iron, alloys steels, carbon steel, tool alloys steel, tor steel, shafting bars, rods, flats, squares from scraps, billets, prerduced billets, ingots, channels, tubes, poles, sheets, wire rails, joists, squares structural, rollers, ferrous and non ferrous castings of all kinds and in particular continuous castings, chilled castings, malleable and special alloy castings gun metal, copper, brass and aluminium castings, copper and foundry works of all kinds, and metal goods and any of the by products which will be obtained in the process of manufacturing of there products, coal trading and to establish workshops for manufacture of any equipment required for any of the industries which the company can undertake and to dealing such equipment, to carry on the business as buyers, sellers, traders, commission agents of iron and iron products, mines & power generation and to carry on any business or activity connected or required for the attainment of the above objects.

2. To carry on in India and elsewhere the traders or business of iron-masters, steel makers, steel converters, manufacturers, processors & reproprocessors, miners, smelters, engineers, tin plate makers and Iron founders, in all the respective branches and to deal in all types of Iron & Steel, alloy & other metals and scraps of all type from CP grade. To search for, get, work, raise, make merchantable, sell and deal in iron, coal, iron ore, lime stone, dolmita, manganese ore, Ferro-manganese, mangesite clay, fire



clay brick earth, bricks and other metals, minerals and substances, and to manufacture and sell briquettes and other fuel, and generally to undertake and carry on any business, transaction or operation commonly undertaken or carried on by exporters, prospectors or concessionaires and to search for, win, work, get, calcine, reduce, amalgamate, dress, refine and prepare for the market any quartz and minerals and mineral products, plant and machinery and other things capable of being used in connection with mining metallurgical operations or required by the workmen and others employed by the Company.

1.3 **RASHMI METALIKS LIMITED** (RML or the Demerged Company) having Corporate Identity Number U27109WB2004PLC097737 was originally incorporate on 30th January, 2004 under the provisions of Companies Act, 1956 in the name and style of "RASHMI METALIKS PRIVATE LIMITED. The name of the Company was changed from RASHMI METALIKS PRIVATE LIMITED to RASHMI METALIKS LIMITED vide fresh certificate of incorporation dated 4th, August, 2006 issued by the Registrar of Companies Kolkata, West Bengal and having its registered office at 39, Shakespeare Sarani, 6th Floor, Kolkata-700017, West Bengal

1.4 **RML** has been incorporated with, inter alia, the following objects:

1. To promote, run, establish, install, takeover or set up, plants of ferrous and nonferrous metals, alloy steels, ferro-alloys, pig iron, wrought iron, steel converter, rolled steel makers, miners, smelters, engineers, iron and steel foundries in all or any of their respective branches, metallurgical



prospectors, explorers, contractors, agents and to establish workshops for the manufacture of any equipment required for any of the industries which the company can undertake and to deal in such equipment and to carry on in India and elsewhere the trades or businesses of ironmasters, steel makers, steel converters, manufacturers of ferro-manganese, colliery proprietors, coke manufacturers, miners, smelters, engineers, tin plate makers and iron founders, in all their respective branches.

2. To promote, run establish, install, takeover or set up steel plants, integrated steel plants, composite steel plants, hot rolling steel mills, cold rolling mills, blooms & billet mills, steel furnaces for the manufacturing, producing, converting, extracting, treating or processing of all types, grades & sizes of steels, stainless steels, special steels, high speed steels, die steels, electrical steels, forging steels alloy steels including direct hardening steels case hardening steels, nitriding steels, ball bearing steels, corroding resisting steels, hai resisting steels, free cutting steels, spring steels, silico-manganese steels, structural steels, ship building quality steels, armour steel, magnet steel, hot rolled and cole rolled grain oriented electrical steels or any other type of steels present of future and any products, by products, compounds & alloys thereof and to act as agent, broker, stockist, trader, buyer, seller, importer, exporter, job worker or otherwise to deal in all goods, materials or things incidental to the attainment of above objects and also to carry on in India or elsewhere the business to manufacture, produce, process, treat, assemble, alter, convert, commercialize, roll, re-roll, melt, mould, design, develop, fabricate, galvanize, machine, cut, trim, turn to account, and to act as agents, broker, stockist, distributor, importer,



exporter, trader, buyer, seller, vendor, engineers, metallurgist, consultant, job-worker, or otherwise to deal in all shape, sizes, uses, capacities, specifications, descriptions and varieties of products, whether made of iron and steel or in combination with any ferrous and non-ferrous materials, such plants, machineries, tools, jigs, dies, moulds, reciprocals, equipments, instruments, apparatus, utensils, accessories, fittings, packing materials, engineering goods etc used in any industry, trade, commerce public welfare, transport, vessels, defence, agriculture, construction, power, transmission, pollution or in any other field and to do all such incidental acts and things as may be necessary for the purpose of attainment of above objects.

C. RATIONALE FOR THE SCHEME

This scheme is aimed at demerger of "Nayagarh Railway Siding Undertaking" (hereinafter defined) of RML into OMPL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for RML and OMPL:

- (a)** Project at Nayagarh Railway Siding was started by RML more than 10 years ago keeping in view the increasing global demand of iron ore and for the requirement of MS Billet but the project could not be completed in time due to provisional/ final approvals/permissions pending from different government authorities.
- (b)** The global demand of iron ore in the present market scenario being sluggish and due to time taking of final approvals/permissions from different



government authorities RML has decided to demerge its Nayagarh Railway Siding undertaking. RML has alternative plan, to improve its logistics which will also help the company reduce its costs.

- (c) OMPL procures iron-ore mostly from Odisha. OMPL shall complete the railway siding undertaking and use the same to meet its logistics requirements. OMPL will be beneficial in taking over the railway siding undertaking as it will cater to its logistics requirement for iron ore and MS Billets. It will also help OMPL to reduce its cost on logistics. OMPL is hopeful to get all the permissions/sanctions to complete the project and make it operational.
- (d) The Scheme will enable the Board of Directors of both companies to focus on their respective business without any dependence on each other. This will result in overall efficiency and growth in businesses of both the companies
- (e) The Scheme is in the interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either RML or OMPL would be prejudiced as a result of the Scheme of Arrangement.
- (f) In view of the above-mentioned reasons, it is considered desirable and expedient to demerge the Demerged Undertaking of the Demerged Company and vest the same with the Resulting Company in the manner and on the terms and conditions stated herein.
- (g) To give effect to the proposals contained herein, this Scheme of Arrangement is presented for approval to the National Company Law Tribunal, Kolkata Bench.

D. OPERATION OF THE SCHEME:



- I. The Demerged Undertaking (hereinafter more particularly defined) of the Demerged Company is proposed to be demerged, pursuant to the applicable provisions of the Companies Act, 2013 and/or any other applicable laws and transferred to and vested with the Resulting Company for achieving the above mentioned objectives.
- II. The Demerged Company will continue its interests in the Remaining Undertaking.
- III. The Resulting Company shall issue and allot shares to the shareholders of the Demerged Company as consideration for the transfer and vesting of the Demerged Undertaking in proportion to their shareholding in the Demerged Company.
- IV. The demerger of the Demerged Undertaking in accordance with this Scheme shall take effect from the Appointed Date and shall be in accordance with Section 2 (19AA) of the Income Tax Act, 1961 such that:
 - i. All the properties of the Demerged Undertaking, being transferred by the Demerged Company, as on the Appointed Date shall become the properties of the Resulting Company by virtue of this Scheme;
 - ii. All the liabilities relatable to the Demerged Undertaking, as on the Appointed Date shall become the liabilities of the Resulting Companies by virtue of this Scheme;
 - iii. The properties and the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the



Resulting Company at the value appearing in the books of account of the Demerged Company immediately before the Demerger;

- iv. The shareholders of the Demerged Company holding not less than three-fourths in value of the shares in the demerged company (other than shares already held therein immediately before the demerger, or by a nominee for, the resulting company or, its subsidiary) as on the Record Date shall become the shareholders of the Resulting Company by virtue of the Demerger; and
- v. The transfer of the Demerged Undertaking shall be on a going concern basis;
- vi. The division of the business being demerged is "Undertaking" as defined under section 2(19AA) of the Income Tax Act 1961.

E. Parts of the Scheme

This Scheme of Arrangement is divided into the following parts:

- (i) **Part I** deals with definitions of the terms used in this Scheme of Arrangement and sets out the share capital of the Demerged and the Resulting company;
- (ii) **Part II** deals with the transfer and vesting of the Demerged Undertaking (as hereinafter defined) of the Demerged company into the Resulting Company;



- (iii) **Part III** deals with re-organization of the issue of new equity shares by the Resulting Company to the equity shareholders of the Demerged Company;
- (iv) **Part IV** deals with the accounting treatment for the arrangement in the books of the Demerged Company and Resulting Company;
- (v) **Part V** deals with the general terms and conditions applicable to this Scheme of Arrangement and other matters consequential and integrally connected thereto.

The arrangement of the Demerged Company with the Resulting Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(19AA) of the Income Tax Act, 1961.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS:

In this Scheme, unless the context otherwise requires, the following expression shall have the following meanings:

- 1.1 **“Act”** means the Companies Act, 2013 and the rules made there under, including any statutory modifications, re-enactments or amendments for the time being in force;



1.2“**Appointed Date**” means **1st April, 2018** or such other date as the Hon’ble National Company Law Tribunal, Kolkata Bench may direct;

1.3“**Appropriate Authority**” means and includes any governmental, statutory, departmental or public body or authority, including Registrar of Companies, National Company Law Tribunal;

1.4“**Assets/Properties**” in relation to Demerged Company means Fixed Assets, Investments, Current Assets, Loan and Advances, Miscellaneous Expenditure, debit balance in Profit and Loss account and any other Assets as per the books of the Transferor Companies as at 31st March, 2018;

1.5“**Board**” means the Board of Directors of RML and OMPL including any Committees thereof;

1.6“**Demerged Company**” means Rashmi Metaliks Limited (or RML)

1.7 “**Demerged Undertaking**” means the Nayagarh Railway Siding undertaking of the Demerged Company which comprises and includes specifically the following(without limitation)

- i. all assets, whether movable or immovable, whether tangible or intangible, leasehold or freehold, including all rights, title, derivative instruments, interest, covenant, undertakings, liabilities relating thereto, and all loans and advances, as pertaining to the Demerged Undertaking of the Demerged Company;



- ii. All debts, borrowings and liabilities, present or future, whether secured or unsecured, pertaining to the Demerged Undertaking of the Demerged Company;
- iii. All rights, entitlements, permissions, licenses, registrations, tenancies, privileges and benefits of all contracts including customer contracts, agreements and all other rights including lease rights, powers and facilities of every kind and description whatsoever appertaining to the Demerged Undertaking of the Demerged Company; and
- iv. All employees of the Demerged Company engaged in or in relation to the Demerged Undertaking of the Demerged Company at their respective offices, at their current terms and conditions.

An illustrative proforma of the assets and liabilities of the Demerged Undertaking, as would appear if the demerger proposed herein was to take effect on the Appointed Date, is appended hereto for the sake of guidance, in **Schedule A**.

1.8 "**Effective Date**" means the later of the dates on which certified copies of the order of the NCLT, Kolkata Bench sanctioning the scheme are filed with the Registrar of Companies, Kolkata by the Demerged Company and the Resulting Company.



All references in this Scheme to the date of "coming into effect of this Scheme" shall mean the Effective Date;

1.9 "**Liabilities**" in relation to the Demerged Company means secured borrowing, Current Liabilities, Reserves and Surpluses, provisions and all other liabilities current or non-current as per the books of the Demerged Company as at 31st March, 2018;

1.10 "**NCLT**" means the National Company Law Tribunal, Kolkata Bench, constituted under the Companies Act, 2013;

1.11 "**OMPL**" means Orissa Metaliks Private Limited, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at 1, Garstin Place, Orbit House, 3rd Floor, Room No. 3B, Kolkata-700001, West Bengal.

1.12 "**Proceedings**" include any suit, appeal or any legal proceeding of whatsoever nature, in any Court of law or Tribunal or any judicial or quasi-judicial body or any assessment proceeding before any authority under any law and also arbitration proceeding;

1.13 "**Railway Siding Undertaking**" means "Nayagrah Railway Siding" at Mouza-Nayagarh-Jalpaposhi, Village Nayagarh, P.O. Dubuna, P.S-Joda No.73, Tehsil Jumpura, Dist. Keojhar, Odisha-758034"



1.14 "**Record Date**" means the date to be fixed by the Board of Directors or a Committee thereof of the Demerged Company for the purpose of determining the members of the Transferor Company to whom equity shares will be allotted pursuant to this Scheme;

1.15 "**RML**" means Rashmi Metaliks Limited, a company incorporated under the provisions of Companies Act, 1956 and having its registered office at 39, Shakespeare Sarani, -, 6th Floor, Kolkata-700017, West Bengal;

1.16 "**Retained Business**" or "**Remaining Undertaking**" means the undertaking(s) of RML, excluding the "Demerged Undertaking";

1.17 "**Resulting Company**" means Orissa Metaliks Private Limited (or "**OMPL**");

1.18 "**Scheme**" means this Scheme of Arrangement between the Demerged Company and Resulting Company and their respective shareholders and creditors in the present form as submitted to the Tribunal for sanction with any modification(s) approved or imposed or directed by the Tribunal;

1.19 "**Schedules**" shall mean the schedules to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income Tax Act, 1961 and other applicable laws, rules, regulations, bye laws,



as the case may be, including any statutory modification or re-enactment thereof from time to time.

2 SHARE CAPITAL:

2.1 The details of Share Capital of **OMPL** as on 31.03.2018 is as under:

PARTICULARS	AMOUNT
Authorized Capital:	
2,00,00,000 equity shares of Rs. 10/- each	20,00,00,000.00
Total	20,00,00,000.00
Issued, Subscribed and Paid-up Capital:	
1,73,61,983 equity shares of Rs. 10/- each	17,36,19,830.00
Total	1,73,61,9830.00

2.2 The details of Share Capital of **RML** as on 31.03.2018 is as under:

PARTICULARS	AMOUNT
Authorized Capital:	
6,25,00,000 equity shares of Rs. 10/- each	62,50,00,000.00
Total	62,50,00,000.00
Issued, Subscribed and Paid-up Capital:	
6,09,88,183 equity shares of Rs. 10/- each	60,98,81,830.00



Total	60,98,81,830.00
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2.3 Subsequent to above, there is no change in the Capital Structure of Demerged company or Resulting Company.

PART II

TRANSFER AND VESTING OF RAILWAY SIDING UNDERTAKING FROM RML TO OMPL

3 TRANSFER AND VESTING OF RAILWAY SIDING UNDERTAKING FROM DEMERGED COMPANY TO RESULTING COMPANY:

3.1 **Generally:** Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking and Resulting Company of the Demerged Company shall, pursuant to the sanction of this Scheme by the Hon'ble National Company Law Tribunal, Kolkata Bench in accordance with Section 2(19AA) of the Income Tax Act, 1961 and provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company, as a going concern without any further act, instrument, deed, matter or thing to be done, made, executed so as to become, as and from the Appointed Date, the Railway Siding undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.

3.2 **Transfer of Demerged Undertaking of the Demerged Company:** With effect from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, Demerged Undertaking (including all the estate,



assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) as on the Appointed Date shall, pursuant to the provisions of Section 232 and all other applicable provisions of the Act, without any further act, deed, instrument, matter or thing, be and shall be demerged from the Demerged Company and transferred to and vested in or deemed to have been transferred to and vested in the Resulting Company, as a going concern, in accordance with section 2(19AA) of the Income Tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, so as to vest in the Resulting Company such that all the properties, assets, rights, claims, title, interest, authorities, investments and liabilities comprised in the Demerged Undertaking immediately before the demerger shall automatically, and without any other order to this effect, become the properties, assets, rights, claims, title, interest, authorities, investments and liabilities of the Resulting Company simply by virtue of approval of the Scheme and in the manner provided in this Scheme with effect from the Effective Date;

3.2.1 Without prejudice to the generality of Clause 3.1 above and upon coming into effect of the Scheme, with effect from the Appointed Date, the entire business and undertaking of the Demerged Company in relation to the Demerged Undertaking including all the properties, investments, claims, title, interest, assets of whatsoever nature such as all entitlements, licenses, permissions, consents, approvals and all applications for licenses, permissions, consents, approvals and all other rights, title, interest,



contracts or powers of every kind, nature and description of whatsoever nature and wheresoever situated shall, pursuant to the provisions of Section 232 and other applicable provisions, if any, of the Act and pursuant to the order of the NCLT sanctioning this Scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Appointed Date, be and stand automatically transferred to and vested in the Resulting Company as a going concern.

3.2.2 Provided that for the purpose of giving effect to the vesting order passed under Sections 230 to 232 of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the final approval and the relevant orders on this Scheme, be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties (including immovable properties) of the Demerged Company in relation to the Demerged Undertaking in accordance with the provisions of Section 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated, without any other order to this effect.

3.3 Transfer of Movables: All the moveable assets / properties of the Demerged Undertaking capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery to the end and intent that the ownership and property therein passes to the Resulting Company on such handing over in pursuance of the provisions of Section 232 of the Act (as an integral part of the Demerged Undertaking) without requiring any deed or instrument of conveyance for transfer of the same, subject to the



provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

3.3.1. In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in clause 3.1 and 3.2 above, the same shall be transferred to and vested in or be deemed to be transferred to and vest in the Resulting Company pursuant to the provisions of Section 232(4) of the Act, without any further act or deed or thing, so as to vest in the Resulting Company.

3.4 **Transfer of Debts & Liabilities:** All debts, liabilities, duties and obligations of the Demerged Company relating to the Demerged Undertaking as on the close of business on the day immediately preceding the Appointed Date including general and multipurpose borrowings, if any and all other debts, liabilities, duties and obligations of the Demerged Company relating to the Demerged Undertaking which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to the Resulting Company, without any further act or deed, pursuant to the provisions of Section 232(4) of the Act, so as to become the debts, liabilities, duties and obligations of the Resulting Company. It is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

3.5 **Transfer of charges, mortgages and encumbrances :**The transfer and vesting of the Demerged Undertaking of the Demerged Company as aforesaid, shall be



subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof, provided however that such charges, mortgages and/ or encumbrances shall be confined only to the assets of Demerged Undertaking of the Demerged Company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Resulting Company and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of the Demerged Company. Any reference in any security documents or arrangements (to which the Demerged Company is a party) to any assets / properties of the Demerged Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Resulting Company. It is clarified that the transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company shall not affect the subsisting charges, mortgages and encumbrances over the assets retained by the Demerged Company or any part thereof and such charges, mortgages and encumbrances shall continue to be applicable in respect of such assets.

Upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instrument or document and/or do all such acts or deeds as may be required, including filing if necessary particulars and/or modification of the charge, if any, with the respective Registrar of Companies to give formal effect to the provisions of this Clause.

3.6 Transfer of rights, entitlements, etc.: Subject to the other provisions of this Scheme, all entitlements, licenses, permissions, approvals, clearances relating to and including Railways, Forest Department, Environmental electricity licenses, authorizations, consents, brands, trademarks, other intellectual property rights registrations and no-objection certificates obtained by the Demerged Company



(including all applications made in regard to the above)for the operations of the Demerged Undertaking and/or to which the Demerged Company is entitled to in relation to the Demerged Undertaking in terms of the various Statutes / Schemes / Policies, Rules and Regulations of Union and State Governments, shall be available to and vest in the Resulting Company, without any further act or deed and shall be mutated by the statutory authorities concerned therewith in favour of the Resulting Company. Since the Demerged Undertaking will be transferred to and vested in the Resulting Company as a going concern without any break or interruption in the operations thereof, the Resulting Company shall be entitled to enjoy the benefit of all such entitlements, licenses, permissions, approvals, clearances, authorizations, consents, intellectual property rights, registrations and no-objection certificates as enjoyed by the Demerged Company and to carry on and continue the operations of the Demerged Undertaking on the basis of the same upon this Scheme becoming effective. Accordingly, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of Income Tax, Goods and Service Tax (GST), Excise Duty (including Modvat/Cenvat), Customs, VAT (including Input Tax Credit), Sales Tax, Service Tax or any other tax or duty to which the Demerged Company is entitled in relation to the Demerged Undertaking in terms of the various Statutes / Schemes / Policies, Rules or Regulations of Union and State Governments shall be available to and vest in the Resulting Company upon this Scheme becoming effective. Further, the experience, track record and credentials of the Demerged Undertaking in manufacturing and supplying the products thereof to various authorities, agencies and clients prior to its transfer to the Resulting Company shall be taken into account and treated and recognized as the experience, track record and credentials



of the Demerged Undertaking even after its transfer to the Resulting Company, including for the purpose of eligibility, standing, evaluation and participation of the Resulting Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

3.7 Transfer of Taxes and Duties: All the taxes and duties payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to revise and the Resulting Company is expressly permitted to file their respective, income tax returns including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns, returns under Integrated Goods and Service Tax Act and Rules, Central Goods and Service Tax Act and Rules as well as State Goods and Service Tax Act & Rules and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme. The portion of Input Tax Credit under Integrated Goods and Service Tax Act and Rules, Central Goods and Service Tax Act and Rules as well as State Goods and Service Tax Act & Rules, shall be transferred to the Resulting Company under the provisions of the said Acts & Rules on acceptance of this Scheme of Arrangement by the proper Court of Law.

3.8 Transfer of Legal Proceedings: All legal or other proceedings of whatsoever nature by or against the Demerged Company pending on the Appointed Date and relating to Demerged Undertaking(including property, rights, powers, liabilities,



obligations and duties) shall be continued and/ or enforced until the Effective Date as desired by the Resulting Company and as and from the Effective Date shall be continued and enforced by or against the resulting company in the manner and to same extent as would or might have been continued and enforced by or against the Demerged Company. If proceedings are taken against the Demerged Company, the Demerged Company will defend on notice or as per advice of the Resulting Company at the costs of the Resulting Company and the Resulting Company will indemnify and keep indemnified the Demerged Company from and against all liabilities, obligations, actions, claims and demands in respect thereof.

3.9 **Transfer of Contracts and Deeds:** All contracts, deeds, bonds, agreements, MOU's and other instruments of whatsoever nature relating to the Demerged Undertaking to which the Demerged Company is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectually as if instead of Demerged Company, the Resulting Company had been a party thereto.

3.10 **Place of Vesting:**

3.10.1. The vesting of the Segment as above shall by virtue of the provisions of this Scheme and the effect of the provisions of Section 232 of the said Act, take place at the registered office of the Resulting Company.

3.10.2. The Remaining Undertaking of the Demerged Company shall be retained by the Demerged Company and activities pertaining to the said remaining



undertaking shall be carried out in the same manner as was being carried out before coming into effect of the restructuring in terms of this scheme.

3.11 **Treatment of Contingent Liabilities:** It is clearly understood between the parties that all contingent liabilities relating to Demerged Undertaking which are known as on the Appointed Date or may be known in the future and which may get crystallize in future and pertaining to any period till the Effective Date and which cannot be annexed specifically with the Demerged Undertaking shall also be transferred to the Resulting Company, without any further act or deed, pursuant to the provisions of Section 232(4) of the Act, so as to become debts, liabilities, duties and obligations of the Resulting Company.

3.12 **Saving of Concluded Transactions:** The transfer and vesting of the properties and liabilities of Demerged Undertaking and the continuance of the proceedings by or against the Resulting Company as per the provisions hereof shall not affect any transaction or proceeding relating to Demerged Undertaking already completed by the Demerged Company and on or before the Effective Date to the end and intent that the Resulting Company accepts all acts, deeds and things relating to Demerged Undertaking done and executed by and/or on behalf of the Resulting Company.

3.13 **Employees:**

3.13.1. The Resulting Company undertake to engage on and from the Effective Date all the employees of the Demerged Company engaged in the respective Demerged Undertaking on the same terms and conditions on



which they are engaged by the Demerged Company without any interruption of service as a result of the transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company agree that the services of all such employees of the Demerged Undertaking of the Demerged Company upto the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits if any.

3.13.2. The Provident Funds, Gratuity Funds, Superannuation Fund or any other Funds or benefits, if any, existing for the benefit of the employees of the Demerged Undertaking of the Demerged Company shall be continued by the Resulting Company and the Resulting Company shall stand substituted for the Demerged Company for making contributions to the said Fund or Funds in accordance with the provisions thereof. All the rights, duties, powers and obligations of the Demerged Company in relation to such Fund or Funds shall become those of the Resulting Company. Accordingly, the dues of the employees of the Demerged Undertaking relating to the said funds would be continued to be deposited therein.

3.13.3. In so far as the other employees of the Demerged Company are concerned, the Demerged Company shall be at liberty to establish and/or cause to be established similar new fund(s) for the benefit of such employees



and continue to deposit such dues of the said employees in the aforesaid existing fund(s) with the approval of the concerned authorities.

3.14 **Business in trust for the Resulting Company:** With effect from the Appointed Date and upto and including the Effective Date:

1. The Demerged Company undertakes to carry on the business of the Demerged Undertaking in the ordinary course of business and the Demerged Company shall be deemed to have carried on and to be carrying on all business and activities relating to the Demerged Undertaking for and on account of and in trust for the Resulting Company.
2. All profits accruing to the Demerged Company (including taxes paid thereon) or losses arising or incurred by it relating to the Demerged Undertaking for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of the Resulting Company.
3. The Demerged Company shall be deemed to have held and stood possessed of the properties to be transferred to the Resulting Company for and on account of and in trust for the Resulting Company and, accordingly, the Demerged Company shall not (without the prior written consent of the Resulting Company) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business.



3.15 Remaining Undertaking

1. The remaining undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.
2. All legal, taxation and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and relating to the remaining business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of remaining business) shall be continued and enforced against the Demerged Company.
3. If proceedings are taken against the Resulting Company in respect of matters referred to in 3.15.2 above relating to the Remaining Undertaking, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.

3.16 TRANSFER AND USE OF TRADEMARKS:

The Resulting Company will have the right to use all intellectual property rights including trademark and Brand, domain names, service marks, colour schemes, logo, records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers patents, copy rights, technical



know-how, designs, design registrations, etc relating to the Manufacturing Business and Trading Processes of the Demerged Company.

PART III

ISSUE OF EQUITY SHARES BY RESULTING COMPANY

4. ISSUE OF EQUITY SHARES BY OMPL

4.1. Upon the scheme becoming effective in consideration of the demerger of the Demerged Undertaking in the Resulting Company pursuant to the provisions of this Scheme, the Resulting Company shall without any further act, deed, issue and allot to each member of the Demerged Company, whose name is recorded in the register of members on the Record Date, in accordance with the terms of the Scheme and without any further application, act, deed payment, consent, acts, instruments or deed issue and allot **1 (One) equity share of Rs. 10 (Rupee ten only) in OMPL, credited as fully paid up for every 441 (Four Hundred Forty One) equity share of Rs. 10 (Rupee ten only) each held by them in RML.**

4.2. **M/s. M. Jhavar & Co., Chartered Accountants (FRN:326279E)** has issued the report dated on the Share Entitlement Ratio adopted under the Scheme. The aforesaid report on share entitlement ratio has been duly considered by the Board of Directors of the Demerged and Resulting Company.

4.3. Where new equity shares of the Resulting Company are to be allotted to heirs, executors or administrators or, as the case may be, to successors of



deceased equity shareholders of the Demerged Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company. All fractional entitlements of the shareholders of the Demerged Company shall be ignored.

4.4. The issue and allotment of Equity Shares by the Resulting Company in terms of clause 4.1 above shall be deemed to have been carried out in compliance with the procedure laid down under Section 42 and Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and it is clarified that no separate approvals shall need to be obtained by the Resulting Company in this regard.

4.5. The equity shares to be issued by the Resulting Company pursuant to clause 4.1 in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall pending allotment or settlement of the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company.

4.6. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered prior to or even subsequent to the Record date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record date, in order to remove difficulties arising to the



transferors of the shares in relation to the shares issued by the Resulting Company after the scheme is affected.

4.7. The equity shares issued and allotted by the Resulting Company in terms of the scheme shall be subject to the provisions of Memorandum and Articles of Association of the Resulting Company and shall rank paripassu inter-se in all respects including dividends declared, voting and other rights.

4.8. **Approval of Appropriate Authorities:** For the purpose of issue and allotment of equity shares as aforesaid, Resulting Company shall, if and to the extent required, apply for and obtain the requisite consent or approval of appropriate authorities concerned for the issue and allotment by Resulting Company to the respective members of the Demerged Company of the Equity Shares in the ratio aforesaid. However, the issue and allotment of shares being an integral part of the Scheme, no further approval of shareholders of Resulting Company would be necessary for the same;

4.9. **Resulting Company to increase its Authorized Capital:** Resulting Company shall before allotment of the Equity Shares in terms of the Scheme, increase its Authorized Share Capital, if necessary, by the creation of at least such number of Shares of Rs.10/- each as may be necessary to satisfy its obligations under the provisions of the Scheme.

4.10. **Dividend:**

(a) The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective



shareholders in respect of the Accounting period prior to the effective date but only consistent with the past practice, or in the ordinary course.

- (b) Upon the scheme becoming effective, on and from the Appointed date, the profits of the “Demerged Undertaking” shall belong to and be the profits of the resulting company and will be available to resulting company for being disposed of in any manner as it thinks fit.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the act, shall be entirely at the discretion of the Board of the Demerged Company and the Resulting Company respectively, subject to such approvals of the shareholders, as may be required.

PART-IV

ACCOUNTING TREATMENT

5. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY

5.1 In the Books of the Demerged Company:

- (a) The Demerged Company shall, upon the Scheme becoming effective, record the deletion of respective assets / properties and liabilities of “Demerged Undertaking” transferred to and vested in the Resulting Company pursuant



to this Scheme at their respective book values as appearing in its books immediately before the Appointed Date.

- (b) The excess of the value of assets over the value of liabilities which have been transferred to the Resulting Company shall be appropriated against in the following order: the Securities Premium Account, General Reserves Account and where there remains any outstanding balance after appropriated from the aforesaid reserves in the stipulated order, will be further adjusted against the surplus in Profit and Loss Account of the Demerged Company or the treatment will be given as per the applicable laws in force on the effective date of the Scheme.
- (c) The excess of the value of liabilities over the value of assets which have been transferred pursuant to the scheme shall be credited to general reserve or any other reserve as per the law in force on the effective date of the scheme.
- (d) The reduction, if any, in the securities premium account of the Demerged Company shall be effected as an integral part of the scheme in accordance with the provisions of section 52 of the Act, and the order of the NCLT sanctioning the scheme shall be deemed to be under section 66 of the Act for the purpose of confirming the reduction.
- (e) The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

5.2 In the books of the Resulting Company:



- (a) The Resulting Company shall upon the scheme becoming effective, record all the assets / properties and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective book values as appearing in the Books of the Demerged Company immediately before the Appointed Date.
- (b) The Resulting Company shall credit its Share Capital Account in its books of Accounts with the aggregate face value of the Equity Shares issued to the shareholders of the Demerged Company.
- (c) The difference (if there be any) between the value of the said assets / properties and liabilities of the Demerged Undertaking so recorded in the books of account of the Resulting Company shall be debited by the Resulting Company to goodwill or credited to the Reserves in accordance with the requirements of Accounting Standard 14 issued by the Institute of Chartered Accountants of India.
- (d) Subject to the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said Companies.



PART V

GENERAL TERMS AND CONDITIONS

6. GENERAL TERMS AND CONDITIONS GOVERNING THE SCHEME

6.1. **Operative Date of the Scheme:** The Scheme though effective from the Appointed Date, shall be operative from the Effective Date;

6.2. **Demerged Company to carry on its Business with Diligence:** With effect from the Appointed Date, Demerged Company, has carried on and hereafter undertakes to carry on its business in the ordinary course with reasonable diligence and utmost business prudence. From the date of the acceptance of this Scheme by the Board of the Demerged Company, it shall not alienate, charge, encumber, mortgage or otherwise deal with the respective Demerged Undertakings including any of the assets or any part thereof, as are more clearly listed to the Schedule to this Scheme, without the prior written consent of respective Resulting Company pertaining to the assets / properties transferred and vested in it, save and except in the ordinary course of business, or pursuant to any pre-existing obligation undertaking by the Demerged Company prior to the Appointed Date.

7. APPLICATION TO NCLT FOR SANCTIONING SCHEME:

7.1. **Joint Application by the Demerged Company and the Resulting Company:** The Demerged Company and the Resulting Company shall, jointly with all reasonable dispatch, make applications/petitions under Section 230 and 232 and other applicable provisions of the said Act to the



NCLT, Kolkata Bench for sanctioning of this Scheme of Arrangement and for appropriate Orders under the applicable provisions of the Act for carrying this Scheme into effect. The Resulting Company and the Demerged Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

7.2. It is hereby clarified that submissions of the Scheme to the NCLT and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that the Demerged Company and the Resulting Company has or may have under or pursuant to all applicable laws.

7.3. The Demerged Company and the Resulting Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

8. MODIFICATIONS TO THE SCHEME:

8.1. **Scheme subject to Modifications:**The Scheme shall be subject to such modifications as the NCLT while sanctioning the same may direct and which the Board of the Demerged Company and the Resulting Company may consent and agree to;

8.2. **Modifications and Amendments to Scheme:**The Demerged Company and the Resulting Company may in their full and absolute discretion, assent from time to time, on behalf of all persons concerned, to any modifications



or amendments to the Scheme or agree to any terms and/or conditions which the NCLT and/or any other authorities under law may deem fit to approve of or direct or impose or which may otherwise be considered necessary or desirable or appropriate by them in the best interest of the members for settling any question or doubt or difficulty that may arise in carrying out the scheme, whether by reason of any order of NCLT or of any directive or orders of any other authorities or otherwise howsoever, arising out of, under or by virtue of this Scheme and for the implementation and/or carrying out of the Scheme or in any matter connected therewith and to do all such acts, deeds and things and take all such steps as may be necessary, desirable or expedient for putting the Scheme into effect. The aforesaid powers of the Demerged Company and the Resulting Company may be exercised by their respective Boards, a committee or committees of the concerned Board or any director or any other person authorized on that behalf by the concerned Board;

8.3. **Scheme Conditional on Approvals/ Sanctions:** The scheme is conditional upon and subject to the following approvals/ permissions and the demerger shall be deemed to be complete on the date on which the last of such approval/permissions shall have been obtained.

8.3.1. Approval of shareholders/Creditors of the Demerged Company and the Resulting Company:

The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders/ Creditors or class of Creditors of the Demerged Company and the Resulting Company as may be



directed by the NCLT, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meetings and necessary resolutions being passed under the said Act;

8.3.2. Sanction of NCLT, Kolkata Bench:

The sanction of the NCLT, Kolkata Bench under Section 230 and 232 and other applicable provisions of the said Act in favor of the Demerged Company and the Resulting Company.

9. COSTS AND EXPENSES:

All costs, charges and expenses in connection with the Scheme, incurred upto the stage of the Scheme becoming effective shall be borne and paid by the Demerged Company and the Resulting Company on mutually agreed terms. Subsequent to the said stage or in the event the Scheme does not take effect or stands withdrawn for any reason whatsoever, each Company shall pay and bear their own costs.

10. RESIDUARY PROVISIONS:

10.1. Even after this Scheme becomes operative, the Demerged Company shall be entitled to operate all Bank Accounts relating to their respective Demerged Undertakings and realize all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertakings in the name of the Demerged Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Company to the Resulting Company under this Scheme is formally accepted by the parties concerned.

10.2. The demerger and transfer and vesting of the Demerged Undertakings



under this Scheme have been proposed in compliance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

10.3. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of the Demerged Company and the Resulting Company affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme. It is hereby clarified that the Boards of Directors of the Demerged Company and the Resulting Company may in their absolute discretion, adopt any part of this Scheme or withdraw the entire Scheme and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person in respect of the whole or part of Scheme so withdrawn or not adopted, as the case may be.



Schedule A

Details of Assets and Liabilities of the

Demerged Company as on 31st March, 2018

Particulars	Note no.	Company	Demerged Undertaking	Resulting Undertaking
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	5	101,623.10	535.03	101,088.87
Capital Work-In-Progress		23,256.59	738.14	22,518.45
Investments in Joint Venture	6	33.30	-	33.30
Financial Assets				
Investments	7	11,044.61	-	11,044.61
Other Financial Assets	8	108.53	-	108.53
Non-Current Tax Assets	9A	2,227.35	-	2,227.35
Other Non-Current Assets	9B	4,045.08	49.12	3,995.96
CURRENT ASSETS				
Inventories	10	34,872.64	-	34,872.64
Financial Assets				
Investments	11	4,726.53	-	4,726.53
Trade Receivables	12	23,340.52	-	23,340.52
Cash and cash equivalents	13	1,047.91	-	1,047.91



Bank balances other than Note 13	14	13,763.31	-	13,763.31
Loans	15	209.80	-	209.80
Other Financial Assets	8	2,280.85	-	2,280.85
Other Current Assets	9B	15,500.17	5.22	15,494.95
TOTAL ASSETS		238,080.29	1,327.51	236,752.78
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	16	6,098.82	-	6,098.82
Other Equity	17	151,183.40	1,327.51	149,855.89
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	18	63.70	-	63.70
Provisions	19	2,518.57	-	2,518.57
Deferred Tax liabilities(net)	20	9,894.48	-	9,894.48
Other Non Current Liabilities	21	119.97	-	119.97
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	22	6,864.13	-	6,864.13
Trade Receivables	23			



Total Outstanding dues of creditors to micro enterprises and small enterprises		21.78	-	21.78
Total outstanding dues of creditors to other than micro enterprises and small enterprises		16,316.14	-	16,316.14
Other Financial Liabilities				
	24	373.73	-	373.73
Provisions	19	21.33	-	21.33
Other Current Liabilities	21	44,604.24	-	44,604.24
TOTAL LIABILITIES		238,080.29	1,327.51	236,752.78



SCHEDULE OF ASSETS

Schedule of Assets of Rashmi Metaliks Limited, being (the Demerged Company) to be transferred to Orissa Metaliks Private Limited (the Resulting Company) in terms of Prayer (f) of the Petition as on 1st April, 2018.

PART-I

(Short description of Freehold Properties)
(NIL)

PART-II

(Short description of the Leasehold Property)

Land Schedule of 7.86 Acres of Private Land at Village Nayagarh, P.S.-Joda No-73, Tahasil:Barbil, District-Keonjhar

Sl No	Khata no	Plot No	Name of the Owner	Aq. Area Acres
1	5	1737 (P)	Krushna Chandra Naik & Others,S/O-Nilamber Naik,Cast-Bhuyan	0.28
2	12	1552(P)	Kabi Chandra Naik & Others ,S/O-Pranballav Naik,Caste-Bhuyan	0.34
3	31	1701(P)	Krushna Naik & Others,S/O- Nilamber Naik,Cast-Bhuyan	0.15
4	33	1736 (P)	Khatu Samanta,S/O-Uchhab Samanta,Caste-Bhuyan	0.34
5	43	1689	Gobardhan Naik,&Others,S/O-Bhaba Naik,Caste-Bhuyan	0.18
6	45	1688(P)	Sukanti Naik,W/O-Gobinda Chandra Naik,Caste-Bhuyan	0.27
7	48	1694(P)	Gora Munda,S/O-Singa Munda, & Others,Caste-Kolha	0.18
8	48	1696/2089(P)	Gora Munda & Others,S/O-Singa Munda, Caste-Kolha	0.07
9	59	1690(P)	Chemu Naik, S/O-Nanindra Naik & Others Caste-Bhuyan	0.21
10	60	1645	Jayaram Naik, S/O-Banamali Naik &Others , Caste-Bhuyan	0.1
11	62	1730(P)	Jaga Behera,S/O-Hadu Behera & Others Caste-Dhoba	0.3
12	62	1731	Jaga Behera,S/O-Hadu Behera & Others Caste-Dhoba	0.08
13	62	1734	Jaga Behera,S/O-Hadu Behera & Others Caste-Dhoba	0.21



14	65	1699(P)	Jatia Kolha & Others ,S/O-Murgi Kolha,Caste-Kolha	0.18
15	65	1700	Jatia Kolha & Others ,S/O-Murgi Kolha,Caste-Kolha	0.05
16	68	1709(P)	Jagi Kolha & Others , S/O-Retenga Kolha & Others Caste-Kolha , At-Nizagoan	0.15
17	68	1734/2095	Jagi Kolha & Others , S/O-Retenga Kolha & Others Caste-Kolha , At-Nizagoan	0.08
18	79	1551 (P)	Dambarudhar Naik,S/O-Sahadev Naik Caste-Bhuyan,At-Nizagoan	0.14
19	79	1553(P)	Dambarudhar Naik,S/O-Sahadev Naik Caste-Bhuyan,At-Nizagoan	0.20
20	81	1649	Daku Kolha ,S/O-Sunia Kolha & Others,Caste-Kolha	0.02
21	81	1650(P)	Daku Kolha ,S/O-Sunia Kolha & Others,Caste-Kolha	0.22
22	114	1644/2082	Pata Munda,S/O-Dama Munda,Caste-Kolha,At-Nizagoan	0.15
23	146	1747/2209(P)	Mangula Munda,S/O-Sonia Munda,Caste-Kolha	0.43
24	141	1692(P)	Bhaiga Kolha & Others,S/O-Kanhu Kolha & Others,Caste-Kolha,At-Nizagoan	0.23
25	170	1686(P)	Raghu Naik & Others ,S/O-Balabha Naik,At-Nizagoan	0.56
26	206	1648	Sakila Kolha,S/O-Kalu Kolha ,Caste-Kolha,At-Nizagoan	0.32
27	206	1647(P)	Sakila Kolha,S/O-Kalu Kolha ,Caste-Kolha,At-Nizagoan	0.07
28	208	1696(P)	Beraga Kolha & Others ,S/O-Kumar Kolha & Others,Caste-Kolha,At-Nizagoan	0.38
29	228	1702	Beraga Kolha & Others ,S/O-Kumar Kolha & Others,Caste-Kolha,At-Nizagoan	0.03
30	121	1653(P)	Banamali Kolha & Others,S/O-Manglu Kolha , Caste-Kolha,At-Nizagoan	0.06
31	145	1735(P)	Pitamber Nayak,S/O-Hadibandhu Naik,Caste-Bhuyan & Others	0.44
32	42	1750(P)	Gopinath Mahanta & Others ,S/O-Bhagaban Mahanta & Others,Caste-Kudumi,At-Jalpapasi	0.24



33	42	1751(P)	Gopinath Mahanta & Others ,S/O-Bhagaban Mahanta & Others,Caste-Kudumi,At- Jalapapsi	1.2
Total				7.86 Acres

**Land Schedule of 12.30 Acres of Government Land- Forest at Village Nayagarh,
P.S.-Joda No-73, Tahasil:Barbil, District-Keonjhar**

Sl No	Khata no	Plot No	Name of the Owner	Aq. Area Acres
1	240	1742 (P)	Govt. of Orissa (Abad Ajogya Anabadi)	0.500
2	240	1742 (P)	Govt. of Orissa (Abad Ajogya Anabadi)	11.800
Total				12.300 Acres

**Land Schedule of 6.54 Acres of Government Land- Non-Forest at Village
Nayagarh, P.S.-Joda No-73, Tahasil:Barbil, District-Keonjhar**

Sl No	Khata no	Plot No	Name of the Owner	Aq. Area Acres
1	237	1549 (P)	Govt. of Orissa (Rakshita)	0.160
2	237	1550 (P)	Govt. of Orissa (Rakshita)	1.950
3	237	1550/2359 (P)	Govt. of Orissa (Rakshita)	
4	237	1632 (P)	Govt. of Orissa (Rakshita)	0.840
5	237	1632/2360 (P)	Govt. of Orissa (Rakshita)	
6	238	1729	Govt. of Orissa (Sarba Sadharana)	0.310
7	238	1748 (P)	Govt. of Orissa (Sarba Sadharana)	0.760
8	239	1741	Govt. of Orissa (Abad Jogya Anabadi)	1.650
9	239	1687	Govt. of Orissa (Abad Jogya Anabadi)	0.020
10	240	1635 (P)	Govt. of Orissa (Abad Jogya Anabadi)	0.100



11	240	1743	Govt. of Orissa (Abad Jogya Anabadi)	0.490
12	240	1743/2361	Govt. of Orissa (Abad Jogya Anabadi)	
13	237	1642 (P)	Govt. of Orissa (Rakshita)	0.020
14	239	1728	Govt. of Orissa (Abad Jogya Anabadi)	0.240
Total				6.540 Acres

PART-III

Short description of all stocks, shares, debentures and other chooses in action of the Transferor Company to be transferred to ORISSA METALIKS PRIVATE LIMITED.

NON CURRENT ASSETS:

Sl No.	Description	Amount (Rs. In Lakhs)
1.	Property, Plant and Equipment	535.03
2.	Capital Work-in-Progress	738.14
3.	Other Non Current Assets	49.12
TOTAL		1,322.29

CURRENT ASSETS:

Sl No.	Description	Amount (Rs. In Lakhs)
1.	Other Current Assets	5.22
TOTAL		5.22

Approvals and consents from different authorities obtained by Rashmi Metaliks Limited (Demerged Company) to be transferred to Orissa Metaliks Private Limited (Resulting Company)

S. No	Date	Issued By	License No./ Consent No./ Letter No.	Description
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1.	21.11.2006	Government of India, Ministry of Railways (Railway Board)	No.2006/TT(I)/10/Rashmi Metaliks/SER/30-A	Rail Transport Clearance for Development of Railway Siding at Nayagarh granted by Government of India, Ministry of Railways (Railway Board) to Demerged Company for 5 years. till 20.11.2011.
	30.09.2015	East Coast Railway	No.COM/Plg./BBS/Rashmi Metaliks/NYG/174	Further the Rail Transport Clearance was extended by East Coast Railway for further 5 years from 20.11.2011 till 19.11.2016.
	24.11.2016	East Coast Railway	No.COM/Plg./BBS/Rashmi Metaliks/NYG/174/Pt.I	Further the Rail Transport Clearance was extended by East Coast Railway for further 5 years from 19.11.2016 till 18.11.2021.
2.	28.11.2006	East Coast Railway	No. COM/Plg./SWR/NYG/116	In principle approval of East Coast Railway for construction of Railway Siding at Nayagarh
3.	10.10.2007	East Coast Railway	No. COM/Plg./BBS/Rashmi Metaliks/NYG/174	Approval of Detailed Project Report of Railway Siding at Nayagarh granted by East Coast Railway to



				Demerged Company
4.	28.05.2008	East Coast Railway	No. COM/Plg./BBS/Rashmi Metaliks/NYG/174	Approval of Engineering Plan of Railway Siding at Nayagarh granted by East Coast Railway to Demerged Company
5.	27.09.2008	North Eastern Electricity Supply Company of Orissa Ltd		Agreement for Supply of Electrical Energy entered into between North Eastern Electricity Supply Company of Orissa Ltd and Demerged Company for Yard Lighting of Transferor Company's Railway Siding at Nayagarh.
6.	20.02.2009	Office of Nayagarh Gram Panchayat		Office of Nayagarh Gram Panchayat issued No Objection Certificate in favour of Demerged Company to establish Railway Siding.
7.	13.08.2010	State Pollution Control Board, Odisha	No. 1289/Ind-I-NOC-52	State Pollution Control Board, Orissa grants Consent to Establish for Demerged Company's Railway Siding at Nayagarh for a period of 5 years.



	13.03.2018	State Pollution Control Board, Odisha	No. 408/IND-II-NOC/284	Further Consent to Establish was extended for another period of 5 Years.
8.	-	-	-	Applications made to Forest Department for diversion of use for 12.30 Acres of land as mentioned above
9.	-	-	-	Any other entitlements, licenses, permissions, approvals, clearances, authorisations, agreements or arrangements relating to and including Railways, Forest Department, Environmental Department, electricity licenses, authorizations, consents, brands, trademarks, other intellectual property rights registrations and no-objection certificates obtained by the Demerged Company (including all applications made in regard to the above)for the operations of the Demerged Undertaking to be transferred to



				Resulting Company.
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General License, permits, approvals and Permissions:

All other rights, privileges, interests, incentives, claims and entitlements earned or to be earned whether tangible or intangible in respect of the "Demerged Undertaking" to be transferred from Demerged Company to Resulting Company

Registrar-in-charge

National Company Law Tribunal

Kolkata Bench

Dated, the day of September, 2019



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